

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

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ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1-97 To (mo./yr.) 12-97
 2. DOGM File Number (Mine No): M10031007
 3. Mine Name: Tug Exploration Project
 4. Mineral(s) Mined (or permitted to mine): (Gold project - no mining)
 5. Type of mine ☒ Surface Mine or ☒ Underground Mine
 6. Legal Description (Location of Lands Affected):
1/4, SE 1/4, SE 1/4, Section 9, Township 8N, Range 19W
SW 1/4, SW 1/4, Section 10, Township 8N, Range 19W
1/4, N.E. 1/4, N.E. 1/4, Section 16, Township 8N, Range 19W
1/4, NW 1/4, NW 1/4, Section 15, Township 8N, Range 19W
 7. Name of Operator or Company: Western states Minerals Corporation
 8. Permanent Street Address: 250 South Rock Blvd. #130
City, State, Zip: RENO, NV, 89502
Phone: 702-856-3339
 9. Company Representative (or designated operator):
Name: STUART COLLINS
Title: MINING ENGINEER
Business Address: 4975 VAN BORDON STREET
City, State, Zip: WHEAT RIDGE, CO. 80033
Phone: 702-425-7042
- ☒ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐ (The Exploration Project was Active)
2. If active, how much ore or mineral was mined? NO ORE MINED
3. If inactive, what year was the mine last active? —

3. How much **additional acreage** was disturbed during the past year? 1.04 Acres
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.
For the 1997 TUG Exploration Project WSMC drilled 49
drill holes ranging in depth from 140' to 500' below the
ground surface. Drill cuttings were analyzed for
gold and silver content.
5. How much acreage was **reclaimed** during the past year? ALL outstanding disturbances = 1.04 Ac.
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
ALL disturbance associated with WSMC's 1997
Exploration program was re-contoured, cuttings
spread out, many pits tilled and the disturbed
area reseeded.
7. What is the **total disturbed acreage** at years end? ALL disturbance Reclaimed 0
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.
WSMC is evaluating the data gathered from
the 1997 exploration project and will delineate
new 1998 drill targets this Spring - All Reclamation
is up to date as of 12-97.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

LARRY D. Berg

Title of Operator:

ENVIRONMENTAL COORDINATOR

Signature of Operator:

Larry D. Berg P.E.

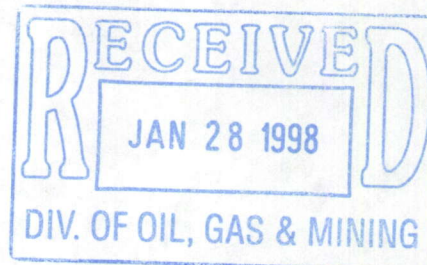
Date:

1-23-98

**WESTERN
STATES
MINERALS
CORPORATION**

January 26, 1998

Lynn Kunzler
Senior Reclamation Specialist
State of Utah
Dept. of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801



**Re: 1997 Annual Report for WSMC's Tug Exploration Project, Box Elder County,
Township 8N., Range 19W., Section 9,10, 15, and 16**

Dear Mr. Kunzler:

Presented are the 1997 Annual Reports for WSMC's Tug Project (M/003/007)) and the 1997 reclamation report for the H.S. Exploration Project (E/003/026). Note that only reclamation work was performed at the H.S. Project during 1997. For the Tug Exploration Project all outstanding disturbances were reclaimed in the Fall of 1997.

Note that both Annual Report forms (MR-EPR) and (MR-AR) were completed for the Tug Exploration Project since DOGM has requested both forms. The MR-AR reporting form for the Tug Exploration Project does not provide enough detail for a good annual report as does the MR-EPR (which is for exploration projects). This same issue was addressed in my January 19, 1996, Annual Report for the above projects.

If you have any questions please contact Stuart Collins (303-425-7042) or myself at (702) 856-3339).

Sincerely,
Western States Minerals Corporation

Larry D. Berg
Larry D. Berg, P.E.

Environmental Coordinator

Enclosure: